

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7132

BILL NUMBER: SB 379

NOTE PREPARED: Jan 2, 2004

BILL AMENDED:

SUBJECT: Release of Social Security Numbers.

FIRST AUTHOR: Sen. Hershman

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill prohibits an agency of the state or a city, town, county, or township from releasing the Social Security number of an individual unless:

- (1) required by state law, federal law, or court order;
- (2) authorized in writing by the individual; or
- (3) the requestor is a commercial entity that has a legitimate business or professional use for the information and is qualified by the Attorney General.

The bill makes it a Class D felony to knowingly make a false representation to obtain a Social Security number or for an agency employee to knowingly disclose a Social Security number.

Effective Date: Upon passage; July 1, 2004.

Explanation of State Expenditures: *Administrative Costs:* State agencies could incur increased costs based on changes needed to current procedures and/or computer systems as a result of several provisions of the bill. There are no data available to estimate the increase in cost, but the provisions that appear to add administrative cost include:

1. State agencies would be prohibited from releasing Social Security numbers except in certain circumstances.
2. Removing, or completely and permanently obscuring a Social Security number on a public record before disclosing the record is considered compliance.
3. Disclosure of Social Security numbers to commercial entities is allowed as long as the entity is qualified by the Attorney General and has a legitimate business or professional purpose identified in writing.
4. State agencies providing Social Security numbers to commercial entities must prepare an annual report

for the Secretary of State and the Executive Director of the Legislative Services Agency which includes the reason the entity needs the information.

5. State agencies that disclose personal information in violation of the section would be required to notify persons whose Social Security number was disclosed.

Attorney General's Office: This proposal would require the Attorney General's office to develop an administrative mechanism for processing the applications of commercial entities that wish to become qualified to obtain public records containing Social Security numbers. This provision is expected to increase the administrative burden of the Attorney General's office. However, the extent of this burden is currently indeterminable as the number of firms that would seek to become qualified is unknown. Aside from the customer information contained in the records of a municipal utility, Social Security numbers are not currently required to be stricken from information available through the state's public records law.

Penalty Provisions: The bill makes it Class D felony for a person to illegally obtain a Social Security number or for an employee to knowingly disclose a number. A Class D felony is punishable by a prison term ranging from six months to three years or reduction to Class A misdemeanor depending upon mitigating and aggravating circumstances. Assuming offenders can be housed in existing facilities with no additional staff, the average cost for medical care, food, and clothing is approximately \$1,825 annually, or \$5 daily, per prisoner. However, any additional expenditures are likely to be small. The average length of stay in Department of Correction (DOC) facilities for all Class D felony offenders is approximately ten months.

Explanation of State Revenues: *Penalty Provision:* If additional court cases occur and fines are collected, revenue to both the Common School Fund (from criminal fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class D felony is \$10,000. However, any additional revenues would likely be small.

Explanation of Local Expenditures: This bill could have an impact on administrative costs for local agencies which are subject to the same provisions as state agencies.

Penalty Provision: If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. However, any additional expenditures would likely be small.

Explanation of Local Revenues: *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, the amounts would likely be small.

State Agencies Affected: Department of Correction.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources:

Fiscal Analyst: Karen Firestone, 317-234-2106.